



## 2015 COMMERCE BILLS REFERRED TO FINANCE, REVENUE AND BONDING COMMITTEE

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### COMMERCE COMMITTEE COGNIZANCE

The Commerce Committee's cognizance, along with the other committees' cognizance, is specified in the joint rules the House and Senate adopt when each new legislative term begins. Under the rules for the 2015-2016 term, the committee has cognizance of all matters relating to the Department of Economic and Community Development and Connecticut Innovations, Inc., the state's principal economic development agencies.

Besides providing financial assistance to businesses, municipalities, and nonprofit organizations, these agencies provide funds for cleaning up brownfields and tax credits for investing in startup companies. Consequently, the committee's cognizance often overlaps those of other committees, including the Finance, Revenue and Bonding Committee.

### ISSUE

Summarize 2015 Commerce Committee bills referred to the Finance, Revenue and Bonding Committee.

### **SSB 323, AN ACT INCREASING THE ANNUAL CAP ON THE NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM**

This bill increases, from \$5 million to \$10 million, the annual cap on the Neighborhood Assistance Act (NAA) tax credit program. It also specifies that a minimum of \$3 million in NAA tax credits must be granted to businesses investing in certain energy conservation, education and employment training, college loan forgiveness, and childcare programs. Current law sets aside \$3 million in NAA tax credits for these programs, but it is unclear if it is a minimum or a maximum.

EFFECTIVE DATE: July 1, 2015

### **SB 540, AN ACT INCREASING THE AGGREGATE CAP ON INSURANCE REINVESTMENT FUND TAX CREDITS AND RENAMING SUCH FUNDS INVEST CT FUNDS**

This bill increases the aggregate cap on Insurance Reinvestment Fund tax credits by \$50 million, from \$200 million to \$250 million. It does not change the program's \$40 million annual cap.

Investors qualify for the credits by investing in eligible businesses through state-certified business investment funds. Current law refers to these funds as Insurance Reinvestment Funds. The bill renames them, "Invest CT Funds."

EFFECTIVE DATE: July 1, 2015

### **SB 960, AN ACT ELIMINATING CERTAIN UNUSED TAX CREDITS**

This bill eliminates the corporation business tax credits for eligible service firms that hire new employees in conjunction with developing or acquiring new facilities located outside of an enterprise zone in a targeted investment community (i.e., the 17 municipalities with enterprise zones). It also makes conforming technical changes. The credit amount depends on the number of new employees a firm creates and ranges from 15% for firms employing between 300 and 599 new employees at the facility, to 50% for those employing over 2,000 new employees at the facility. The credits have not been claimed since they were authorized in 1996.

EFFECTIVE DATE: July 1, 2015; the tax credit provision is applicable to income years starting on or after January 1, 2015.

### **HB 5664, AN ACT CONCERNING THE IMPLEMENTATION OF THE LEARN HERE LIVE HERE PROGRAM**

This bill requires, rather than allows, the Department of Economic and Community Development (DECD) commissioner to establish the "Learn Here, Live Here" program to incentivize graduates to buy a home in Connecticut.

The program allows graduates from specified Connecticut educational institutions to (1) segregate in a dedicated account a portion of their income tax payments for up to 10 years and (2) use, within 10 years, any money they so segregated toward a down payment for their first house.

The law caps the amount of income tax payments that may be segregated in a year at (1) \$2,500 per participating graduate and (2) \$1,000,000 for all participating graduates. Segregated funds may be used only for a down payment on a house. Any funds a student segregates in excess of his or her down payment must be deposited in the General Fund. Graduates who use segregated funds toward a down payment and subsequently leave Connecticut within five years may have to repay all or part of the assistance, depending on when they leave.

EFFECTIVE DATE: July 1, 2015, and applicable to taxable years beginning on or after January 1, 2015

## **HB 6828, AN ACT AUTHORIZING BONDS OF THE STATE FOR ECONOMIC DEVELOPMENT PROJECTS**

This bill authorizes state general obligation bonds for the projects listed below.

**Table 1: HB 6828's Bond Authorizations for Arts and Cultural History Facilities**

<i><b>Project</b></i>	<i><b>Purpose</b></i>	<i><b>Bonding</b></i>
Bryan-Andrew House (Orange)	Complete interior renovations	\$80,000
Eastern Connecticut Performing Arts Association	Renovate and remodel Jewett City theater	500,000
Cultural Arts Center in Stratford	Create cultural arts center incorporating several specified historic properties	1,000,000
Thomaston Opera House	Renovate opera house	1,500,000
Riverside Cemetery (Waterbury)	Restore historic mausoleums and headstones	500,000
Webb-Deane-Stevens Museum (Wethersfield)	Expand museum	1,700,000

EFFECTIVE DATE: July 1, 2015

## **HB 6829, AN ACT INCREASING THE THRESHOLD FOR LEGISLATIVE APPROVAL OF FINANCIAL ASSISTANCE AWARDED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS, INCORPORATED**

By law, the DECD and Connecticut Innovations, Inc. (CII) must get legislative approval to award financial assistance and certain tax credits that exceed established thresholds. This bill increases such thresholds to:

1. \$27 million, up from \$20 million, for tax credits for a single investment under the Urban and Industrial Site reinvestment program;
2. \$16 million, up from \$10 million, per business in a two-year period for financial assistance awarded by DECD or CI; and
3. \$27 million, up from \$20 million, per bioscience business in a two-year period for financial assistance awarded by DECD or CI.

EFFECTIVE DATE: July 1, 2015

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